Waterfront Development
Corporation Limited

Business Plan
2005-2008

Waterfront Development
Corporation Limited

NOVA SCOTIA

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Waterfront Development Corporation Limited

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Waterfront Development Corporation Limited

Message from the Minister

Halifax Harbour and its envisions are critically important to the economic health of the Province of Nova Scotia. Through Waterfront Development Corporation Limited the province remains actively involved in economic future of the Harbour and the waterfront of Bedford, Dartmouth, and Halifax. Through active leadership and involvement in planning, development, programming of events and investment, at both the public and private sector level, the Corporation pursues economic development strategies to ensure that the Harbour and its waterfront environments continue to be a strong economic engine for the province.

Honorable Ernest Fage

Waterfront Development Corporation Limited

Message from the President and Chairman

The 2005 Business Plan for Waterfront Development Corporation Limited outlines a number of comprehensive and challenging programs in the areas of development, marketing and planning.

Development of new public spaces, commercial and residential projects and pressenting special event opportunities will continue to be the focus in 2005. Bedford will see the creation of new land for public use and development opportunities, while providing an environmentally safe site for the disposal of pyretic slate. Planning for this new land and working with Halifax Regional Municipality on the fast ferry concept will be the primary focus.

In Dartmouth, the commitment to continue, in cooperation with Halifax Regional Municipality and the community the harbourfront trail along the Dartmouth shoreline, will ensure renewed interest in the Dartmouth waterfront. Strategic planning and development of the Corporation's land in Downtown Dartmouth will be a priority.

In Halifax, the Corporation will continue to partner with the private sector and Halifax Regional Municipality to develop high quality mixed-use developments and public amenities. It is anticipated that the development of the Salter Street site will proceed. A high priority is the Queens Landing/Expansion of the Maritime Museum of the Atlantic project. The corporation is continuing to work with other government departments and the private sector on this initiative, which is destined to become a new centre piece for the Halifax waterfront and Harbour just as the original Museum was more than 20 years ago.

Halifax Harbour Festival, a new annual festival, will have its inaugural year in 2005 and planning will be underway for future Tall Ships visits, the signature events of the Province.

Bill Campbell
Acting President/CEO

Eric Thomson
Chairman

Waterfront Development Corporation Limited

Mission

To serve as champion of a dynamic vision and to plan, coordinate, promote and develop properties, events and activities on designated waterfronts within Halifax Harbour.

Planning Context

Mandate

Waterfront Development Corporation Limited is a crown corporation established in 1976 to revitalize the waterfronts of Bedford, Dartmouth, and Halifax. Its' current mandate includes:

- Property acquisition, management and development within designated areas in Bedford, Dartmouth and Halifax.
- Marketing and promotion designed to attract public use of the waterfronts.
- Coordination and planning of the waterfronts of Bedford, Dartmouth, and Halifax including championing assets owned by the province throughout the entire harbour.

At the time of writing this Plan the mandate of the corporation is under review by the provincial government. The focus of the review is to determine if there is the need to have, the Province through the Corporation become more active in waterfront issues around the entire harbour. Should a new mandate be established changes in this Business Plan will be required

Organizational Structure and Financial

The Corporation has a staff of fifteen, seven involved in planning, development, and administration, and eight in maintenance and parking operations.

Waterfront Development Corporation Limited

Financial

The Corporation's ordinary revenues $3,200,000 in year ended March, 2004 are derived primarily from building and ground leases $1,171,000 (37%) and parking lot operations $1,861,000 (58%). In the year past, ordinary expenses were approximately $2,160,000 and are made up of property expenses (maintenance and repair, taxes, depreciation,$1,207,000, or 56%), corporate overhead, including planning, $544,000 (25%), interest expense $234,000 (11%), and contribution to public facilities, both owned and non-owned $175,000 (8%).

The Corporation's loans and funds balance at the end of the fiscal 2004/05 will be $8,731,000. Capital projects to fulfill the 2005/06 Business Plan in the coming and future years will generate loan balances of:

2004/05 = $ 8,731,000.00;
2005/06 = $ 10,182,000.00;
2006/07 = $ 10,103,000.00;
2007/08 = $ 10,369,000.00.

The financial health of the Corporation is largely dependent on revenue sources from parking fees and tenant rents. For the past fiscal year budget targets for parking revenues were down and this years forecast have been adjusted accordingly. Rents from tenants are subject to economic and market conditions. The provincial government guarantee allows an interest rate 1% below prime on the Corporation's loan. Revenue has remained basically steady, and net earnings have been applied to debt reduction and capital improvements. Should there be a regional economic downturn revenue sources and the funds from private sector partnerships could be reduced. In order to maintain an aggressive and proactive economic development strategy specific finds have been targeted for projects in Halifax and Dartmouth.

The Corporation continues to assess its revenue generation capability, particularly on the Halifax waterfront were visitor attraction and special event opportunities are high.

Hurricane Juan caused significant damage to WDCL's properties and infrastructure in Halifax Harbour. Expenses continued into the fiscal year 2004/05, and only a minor insurance settlement provided any recovery of expenses.

It should be noted that revenues in later years are temporarily reduced in the transition from parking lots to development sites during the construction period; every effort is being made to maintain a revenue stream, following development, which will sustain the Corporation's activities and financial health, however, future investment by the Province is required to maintain the overall program.

Finally, the development projects anticipated in this plan will generate more than $200 million in private investment.

Designated Waterfront Areas

Halifax

The lion's share of the Corporation's property assets is on the Halifax Waterfront. The Corporation has been working jointly with HRM to achieve a financially viable plan. The Halifax Waterfront Openspace and Development Plan has yet to be approved due to continuing discussions with HRM on the eventual planning guidelines for the Corporation's development sites. Full implementation of the plan with its significant open space and reduced development intensity based on "best use" is dependent on achieving a financial partnership agreement with Halifax Regional Municipality and provincial government investment.

A major project, for which the Feasibility Assessment will be completed in 2005, involving an expansion of the Maritime Museum of the Atlantic and an associated private development at Queen's Landing is expected to begin in 2006. In addition to the private sector investment this development requires significant provincial and federal financial support which will be the subject of a separate Business Plan based on the Feasibility Assessment.

Special Events planning and development will continue with special emphasis on a first annual harbour wide festival for 2005. Future Tall Ships events are being considered for 2007 and 2009.

Dartmouth

The Dartmouth Harbourwalk concept plan continues to be implemented in phases. Detailed design is being completed by HRM on a portion from Cussack Street to Old Ferry Road and WDCL has completed design work for key sections in Dartmouth Cove that will proceed in 2005. The achievement of the Dartmouth Harbourwalk is dependent on municipal contributions and private sponsorship.

Also in Dartmouth, the Corporation is continuing its efforts with the Nova Scotia College of Art and Design for the location of their second campus to the waterfront. In order for this initiative to be successful it will require financial support from the province, possibly special incentives by the Corporation and partnership with the private sector.

Bedford

The fill project and creation of additional land for public use and development continues. This fill site has also provided a much-needed environmentally sound ocean dumping area for pyritic slate. Availability of slate has diminished in the past year and if trends continue the estimated 5-8 year capacity will be extended considerablly. As well competitive fill sites may be developed

by others For the long-term, development of the land in a partnership with the owner of a portion of the area is being considered. The completion of Phase I has been delayed due to a lawsuit with Provident Development Limited on a change in use of the last lands in Phase I from commercial to residential.

The Corporation will be seeking a review of planning policy for Phase II from HRM and a public consultation and planning process will be undertaken. There is an opportunity to fulfill needs of the community in terms of public space and facilities as well as new private development for residential, commercial and marine use, including a marina. The completion of the South Jetty, Public Boat Launch and extension of the Bedford Basin Harbourwalk in 2004 along with a new children's play structure in cooperation with the Halifax Port Authority and HRM have been successful in providing additional needed public facilities. WDCL will continue to develop strategic partnerships to further develop public facilities in Bedford. The fast ferry, a project of HRM, will be a priority for 2005.

Strategic Goals

The Corporation's strategic goals are to provide infrastructure, opportunities and support for further public and private investment that will enhance the capital region as a place to live, do business, invest and visit. By enhancing the quality of the waterfronts for residents and visitors, the Corporation creates the opportunity for continuing economic growth by creating increased leisure traffic, meeting and convention activity, and additional residential, institutional and commercial development. An emphasis is placed on quality development and programs that will make all Nova Scotians proud of their capital region and province and encourage people to visit Nova Scotia.

At the time of writing this plan the corporations mandate was under review by its shareholder the Office of Economic Development. Depending on the results of this review it is anticipated that this Business Plan will have to be revisited to provide strategic direction to a new mandate.

Core Business Areas

1. Acquisition (a), management (b), and development (c) of waterfront property in Bedford, Dartmouth, and Halifax.

2. Marketing and promotion (public relations) of the waterfronts as centres of year-round activity and interest for residents and visitors.

3. Coordination and planning of waterfront activities and development.

Waterfront Development Corporation Limited

Priorities

Acquisition (a), management (b), and development (c) of waterfront property in Bedford, Dartmouth, and Halifax.

1 (a) Acquisition

i. Acquisition/disposition of assets essential for realization of waterfront plans.
ii. Creation of new land for public space and development through infilling of waterlots

1(b) Management

i. Property leasing and parking operations to provide funds for investment in further development.
ii. Promote/advertise berthing for visiting vessels in Bedford, Dartmouth, and Halifax.
iii. Maintain properties and public spaces (including limited winter maintenance) to a high standard and use best practices, in coordination with other stakeholders e.g. HRM
iv. Undertake repairs to existing deteriorating infrastructure along the Halifax Harbourwalk.

1(c) Development

i. Planning and development approval of land at the foot of and to the south of Salter Street in Halifax to achieve additional public space and private sector development opportunities.
ii. A public / private partnering in the expansion of the Maritime Museum of the Atlantic and development of adjacent Queen's Landing.
iii. Negotiation of a partnership with the Nova Scotia College of Art and Design for the location of a second college campus on the Dartmouth Waterfront in Dartmouth cove.
iv. Negotiate a partnership with the private sector land and water lot owner adjacent to Phase II in Bedford to achieve access and a joint development opportunity.
v. Resolve lawsuit with developer of Site 3.2 in Phase I.
vi. Improvement of public facilities in all waterfront areas, in particular trails, washrooms and public spaces.
vii. Development of Phase II of Dartmouth Harbourwalk in Dartmouth cove.
viii. Continue to evaluate timing of expansion of the NovaScotian Crystal Building.
ix. Continue to seek ways and means for redevelopment and access to George's and McNab's Islands.

2. Marketing and promotion of the waterfronts as centres of year-round activity and interest for residents and visitors.

i. A communications plan to expand public relations coverage with media interviews, paid advertising, direct mailings and participating in business networking sessions and events.

ii. Installation of interpretation panels for the Halifax Waterfront to improve overall visitor experience.
iii. Cooperate with Downtown Development Commissions in promoting business development.
iv. Source and encourage new events and festivals to use the waterfront(s) as event sites.
v. Provide leadership, in cooperation with the Maritime Museum of the Atlantic, in advancing a Visiting Ships program, to include periodic tall ships visits and a potential tall ships festival every 4-5 years.
vi. Successful implementation of Halifax Harbour Festival

3. Coordination and planning of waterfront activities and development.

i. Champion and coordinate with HRM, on waterfront park and trail development along the Dartmouth waterfront, from the MacDonald Bridge to Woodside Ferry Terminal, and seek public and private sector funding support.
ii. Continue to establish partnership/policy agreements with Halifax Regional Municipality in areas of planning and maintenance.
iii. Resolve title issues associated with certain water lots claimed by the Halifax Port Authority.
iv. In cooperation with HRM and other provincial and federal agencies continue to develop a vision and plan for Halifax Harbour.
v. Provide support to annual waterfront festivals and events such as: Canada Day Celebrations, International Buskers Festival, Halifax-Dartmouth Natal Day Celebrations, Atlantic Film Festival, Bedford Days Festival.
vi. Provide a leadership role in coordinating provincial interest in lands on Halifax Harbour via the Deputy Minister's Committee on Port Development and Land Use.
vii. Assess alternatives and develop a plan for Bedford Phase II, including a fast ferry concept.
viii. Continue to explore the feasibility of a marina at Mill Cove in Bedford.
ix. Seek to have the development of George's Island as a tourist attraction a higher priority of the Federal Government.

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Budget Context

	03/04 Actual	04/05 Forecast	04/05 Budget	05/06 Budget	06/07 Budget	07/08 Budget
Revenue						
Rents	3,032,921	3,053,728	2,987,191	3,007,486	3,087,328	2,324,855
Recoveries	9,759	172,973	9,200	9,200	9,430	9,666
Interest income	924	1,973	4,500	4,500	3,500	2,500
Other income	30,543	0	2,000	0	0	0
Gain on sale of properties						
Tall Ships/Events	0	2,033,742	0	20,000	25,000	30,000
Grant revenue (Prov. of NS)	130,732	109,732	133,400	133,400	133,400	133,400
	3,204,879	5,372,148	3,136,291	3,174,586	3,258,658	2,500,421
Property expenses						
Property taxes	16,203	43,266	32,000	42,000	43,050	44,126
Operating	890,083	881,965	600,000	675,000	691,875	709,172
Depreciation & amortization	300,432	292,000	279,000	284,000	284,000	284,000
	1,206,718	1,217,231	911,000	1,001,000	1,018,925	1,037,298
Income before other items						
Corporate expenses						
Directors' fees & expenses	55,878	59,858	50,000	60,000	60,000	60,000
Doubtful accounts	-26,845	8,639	0	0	0	0
Office operations	80,658	79,622	67,000	80,000	82,000	84,050
Professional fees						
Audit	14,500	15,000	14,500	14,500	14,863	15,234
Programs	68,433	2,069,340	465,000	323,777	310,000	380,000
Legal	-204,170	100,454	80,000	40,000	41,000	42,025
Salaries, contracts, & benefits	511,876	547,988	600,912	530,862	546,941	563,473
Waterfront promotions & public relations	43,796	14,025	-72,347	40,500	41,513	42,550
	544,126	2,894,926	1,205,065	1,089,639	1,096,316	1,187,332
Loan interest	233,897	173,370	208,000	220,963	272,617	263,057
Depreciation on facilities for public access	92,000	92,000	92,000	106,000	106,000	106,000
Contribution to non-owned infrastructure	82,784	197,719	0	0	100,000	0
	408,681	463,089	300,000	326,963	478,617	369,057
Net earnings	1,045,354	796,902	720,226	756,984	664,800	-93,267
Retained earnings, beginning of year	3,421,034	4,066,388	4,066,388	4,463,290	4,820,274	5,085,074
Net earnings	1,045,354	796,902	720,226	756,984	664,800	-93,267
Transfer from (to) General Dev't. Fund						
Transfer to Infrastructure Renewal Fund	-400,000	-400,000	-400,000	-400,000	-400,000	-400,000
Retained earnings, end of year	4,066,388	4,463,290	4,386,614	4,820,274	5,085,074	4,591,807
Capital projects	444,529	1,095,600	1,580,500	1,576,000	675,000	2,650,000
Loans & Funds balance	7,888,819	8,730,712	9,649,472	10,182,064	10,103,070	10,368,516
Prime rate			5.0%	5.0%	5.0%	5.0%

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Outcomes and Outcomes Measures

Core Business Activities

Outcome	Indicator	Measure	Base Year Measure	Target 2005-2006	Target 2006-2007	Strategies to Achieve Target
1(a)(i) Lease Salter Block	Lease of property	Percent leased	3.3 acrres	100 percent	NA	Lease agreement
1.(a)(i) Acquire land in Dartmouth Cove	Deed for property	NA	NA	One acres	0	Negotiation of purchase and sale
1(a)(ii) New land for public use/development in Bedford Phase II	Acres of land	Acres created	11	13.5	16	Selling of dumping space for slate
1(b)(i) Maintaining or increasing [1] revenue	Gross revenue	% increase	$1,480,000	2 percent	2 percent	Increase efficiency & control expenses, increase occupancy
1(b)(ii) Increased usage of berthing facilities	Revenue	% Increase	$27,000	3 percent	6 percent	Advertising, improvement to facilities
1(b)(iii) High quality visitor experience	Visitor satisfaction	Increase in visitation	1,011,000 (2001)	3 percent increase	6 percent increase	Best practice and coordination with HRM
1(b)(iii) New kiosk	Number of kiosk	Number of Kiosk	6	0	0	Leasing of WDCL owned kiosk
1(b)(iv) Maintain value of assets	Annual maintenance cost	Change in maintenance cost				Capital investment in infrastructure
1(c)(i)Public/private development on Salter Street Block	Leasing of land	Percent of land leased	3.3 acres	100 percent	NA	Planning and development approval by HRM
1(c)(ii) Public/private development on Queens Landing	Develop agreement/lease	Land Leased	NA	NA	NA	Public private partnership agreement
1(c)(iii) Development of land in Dartmouth Cove	Agreement with NSCAD and private sector	Acres of land under agreement	Partnership Agreement	100 percent of agreement	NA	Seek partnership with NSCAD and private sector including $$
1(c)(iv) Joint development agreement in Bedford	Successful negotiation of agreement	Legal agreement	Agreement to fill land of private owner	100 percent of agreement	NA	Seek partnership with private owner

[1] While revenue projections are proposed to increase because approximately 63 percent of revenue comes from temporary parking lots there will be flucuations in revenue as sites are developed and revenue is transformed from parking to more permanent uses. Additionally there has been a gradual diminishing of parking revenue through decreased demand and competition.

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Outcome	Indicator	Measure	Base Year Measure	Target 2005-2006	Target 2006-2007	Strategies to Achieve Target
1(c)(v) Resolve legal actions in Phase I Bedford	Effect on budget	Cost of settlement	NA	NA	NA	Negotiation / arbitration
1(c)(vi) New facilities in Bedford	Completion of South Jetty and boat launch	Completed facilities	NA	Finished project	NA	Completion of construction
1(c)(vi) Public Facility on Halifax Waterfront	Partnership with Rotary	NA	NA	Construction	NA	Partnership with Rotary
1(c)(vi) Improvement to public facilities	Visitor satisfaction	Increase in visitation	1,011,000 (2001)	3 percent increase	6 percent increase	Invest in new public infrastructure
1(c)(vii) Public access to waterfront in Dartmouth	Visitor satisfaction	Lineal kms of trail	1km	2 km	4 kms	Completion of trail in partnership with HRM
1(c)(viii) Addition to Nova Scotian Crystal	Increase in leaseable space/revenue	Percent increase in leaseable space	4500 sq. ft.	4500 sq. ft.	21,000 sq. ft.	Feasibility of expansion
2(vi) Use of Georges and MacNab's Islands	Visitation	Percent increase	1,011,000 (2001)	3 percent increase	6 percent increase	Partner in and support access to islands
2(i) Profile of Corporation	Public awareness of Corporation	Increase in awareness	NA	NA	NA	Communications plan and survey
2(ii) Improve visitor experience	Visitor satisfaction	Increase in visitation	1,011,000 (2001)[2]	3 percent increase	6 percent increase	Seek partners and sponsors for displays
2(iii) Business growth	Tenant revenue	Increase in revenue	NA	NA	NA	Partnering with Business Commissions
2(iv) New Events	Visitor satisfaction	Percent increase in visitors	1,011,000 (2001)	3 percent increase	6 percent increase	Sponsor and partner in events, Tall Ships 2007 and 2009, new Maritime Festival
2(v) Visiting ships	Number of ships	Number of ships	5 ships	40 Ships for Tall Ships	10 ships	Partner and improve facilities
2(vi) Improve visitor experience	Visitor satisfaction	Percent increase	1,011,000 (2001)	3 percent increase	6 percent increase	Visitor intercept survey

[2] This number is derived from the median of two recent studies, WDCL Economic Impact Assessment prepared by CanMac Economics, 2002 Limited and the Strategic Plan for the Canadian Naval Heritage Foundation by Economic Planning Group, 2002.

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Outcome	Indicator	Measure	Base Year Measure	Target 2005-2006	Target 2006-2007	Strategies to Achieve Target
3(i) Public and private sector support for trail in Dartmouth	Sponsorship/partnership funds	Contributions	$75,000	$150,000	$200,000	
3(ii) Partnering with HRM	Formal agreements	Approved cooperative agreements	NA	NA		Meetings at executive level
3(iii) Clear title on certain waterlots	Agreement with HPA	Title to waterlots	NA	NA	NA	Negotiate with HPA
3(iv) Harbour Vision / Plan	Adoption of Vision / Plan	Support from public and other governments	Agreement to develop vision / plan	Adoption of vision / plan		Work cooperatively with HRM and other governments
3(v) Cooperative partnerships for events	Successful events	Visitor increases	1,011,000 (2001)	3 percent increase	6 percent increase	Cooperative partnerships and sponsorships of events
3(vi) Coordination of Provincial interest	Coordinated development	NA	NA	NA		Deputy Ministers Committee and staff working group
3(vi) Coordinate approach to provincial waterfront land	Provincial policy	Support for projects and programs	NA	NA		Continued work of Deputy Minister's Committee and Staff Working Group
3(vii) Plan for Bedford Phase II	Public support	Adoption of Plan	1990s plan	Draft Plan	Final Plan	Hire consultants and public consultation
3(xiii) Marina in Bedford	Feasibility assessment	Economically viable	8 Ships	NA	NA	Determine feasibility
3(ix) George's Island Open to Public	Federal priority	Phased construction	NA	NA	NA	Seek to have federal priority